

# MARKET REPORT 2021

The essentials of the property market

## St. Moritz

- Desirable single-family houses
- Rising prices on the owner-occupied apartment market
- Suvretta transactions at very high prices



## Upper Engadine continues to set the bar

### Picturesque localities, one mountain paradise

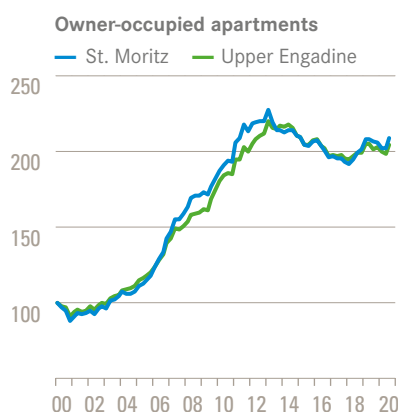
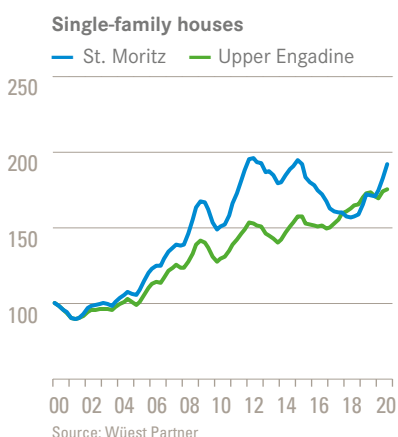
Thanks to the unique harmony of its lake landscape, the Upper Engadine holiday region is popularly known as the ‘ballroom’ of the Alps. In winter, one of the largest and most diverse ski areas attracts visitors with a total of 88 pistes, more than 220 km of cross-country trails and 13 natural ice rinks. In summer, 580 km of hiking trails, 17 climbing parks, 400 km of mountain bike trails, two 18-hole golf courses and other local attractions offer plenty of variety.

About 18,400 people live in the Upper Engadine all year round, and many more flock to the region during high season. With 12,600 hotel beds (of which 5,200 alone in St. Moritz and almost 2,000 in Pontresina) and 7,000 beds in 1,800 holiday apartments, there is no shortage of choice for holidaymakers. In 2019, the Upper Engadine registered more than 1.6 million overnight stays in total (hotels only, not including holiday apartments), of which 80% were in the core zone of the Silvaplana-Samedan-Pontresina triangle, which also encompasses St. Moritz and Celerina.

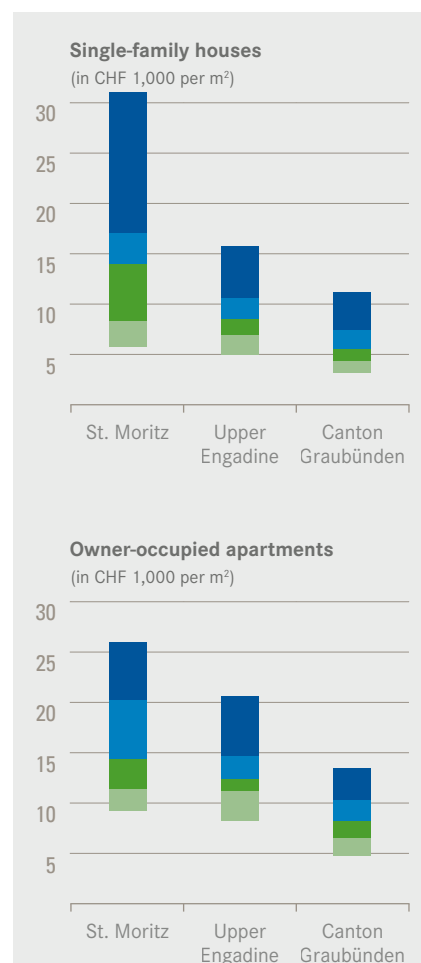
### Second Homes Act leads to a fall in construction activity

The property stock generally exhibits the typical structure of a popular holiday region. Owner-occupied apartments, particularly those in the medium-size category, account for more than two-thirds of the overall supply; in Celerina and Silvaplana, the proportion is as high as 80%. In the larger municipalities of Pontresina, Samedan and St. Moritz, which have a higher proportion of local residents, typical holiday homes make up just over half the stock. The proportion of single-family houses is low in all municipalities. Since the implementation of the Second Homes Act in 2016, only moderate new construction activity has taken place. Over the past decade, the total stock has grown by just 1% per year at most. The very good summer and winter seasons in the last three years have had a noticeably positive effect on demand. Interest from foreign buyers had been dwindling for years, which led to a market shift as domestic demand increased significantly at the same time. More than half of guests are now from Switzerland. This trend has intensified due to changes in travel behaviour during the COVID-19 pandemic.

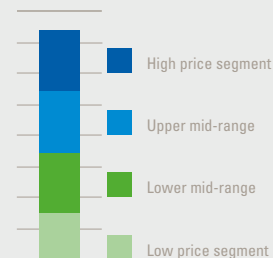
### Residential property: transaction price growth (index Q1 2000 = 100)



### Property prices (ranges)



### Notes



Top-quality locations

Highest price level in Graubünden

St. Moritz maintains its reputation as a world-class holiday destination. This continued appeal is also reflected in the still very dynamic real estate market. St. Moritz has the highest prices in the region and also in German-speaking Switzerland overall. Owner-occupied apartments in the high-end category sell for up to CHF 20,000/m<sup>2</sup>. Luxury properties change hands for up to CHF 26,000/m<sup>2</sup>, while exclusive rarities can fetch much more. Prices in St. Moritz-Bad tend to be more moderate. The price level in Champfèr/Silvaplana is about 20% lower, at CHF 15,000/m<sup>2</sup> for high-end properties and CHF 21,000/m<sup>2</sup> for luxury apartments.

The few single-family houses placed on the market in St. Moritz generally sell for at least CHF 20,000/m<sup>2</sup>, but luxury properties in good locations can fetch more than CHF 30,000/m<sup>2</sup>. The Suvretta hillside continues to be one of the most popular villa areas in Switzerland. Prices start at CHF 35,000/m<sup>2</sup> and can be as high as CHF 65,000/m<sup>2</sup> for very exclusive properties. The second home market is very strong. Since 2018, transaction prices for single-family houses have risen again after a correction phase, trending strongly upwards in recent quarters. Previous highs are now within reach. In the owner-occupied apartments segment, transaction prices have stabilised since 2018 and currently show a noticeable upward trend. Transaction prices in St. Moritz are now only 5% below the previous record levels. Generally speaking, prices have doubled in all market segments since the turn of the millennium. We expect a further slight increase over the coming months, since demand for second homes remains strong.

Moderate supply rates

We consider markets to be intact and efficient, with a supply rate of up to 6%–8%. All market segments are below this level at present. The rate for single-family houses fell in recent years and is now at 4.1%, while for owner-occupied apartments it has bounced back to 4.6% despite moderate new construction. Demand for rental apartments has also seen a noticeable increase; in recent years, the supply rate has gradually fallen to the current level of 4.1%.

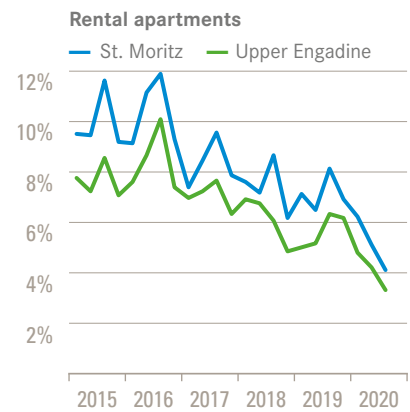
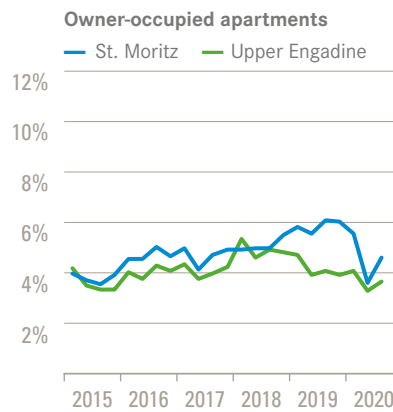
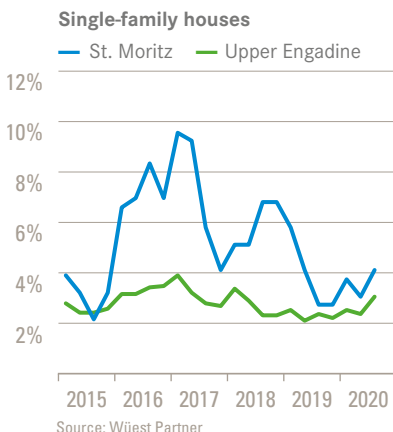
Several properties are for sale ‘off market’ in the Suvretta area. Due to the high price structure, however, the marketing period takes longer before a transaction is finalised. The prices paid are inconsistent, with some of the highest prices in Switzerland often achieved.

Figures for St. Moritz



St. Moritz	
<b>Population</b>	
Inhabitants	4,882
Annual growth rate	-0.9%
Proportion of foreigners	40.4%
<b>Real estate market (residential)</b>	
	<b>5,606</b>
Proportion of rental apartments	29.7%
Proportion of owner-occupied apartments	64.9%
Proportion of single-family houses	5.4%
<b>Proportion of second homes</b>	
	<b>43.9%</b>
<b>Approved residential units</b>	
	<b>41</b>
In apartment buildings	28
In single-family houses	13

Supply rate (number of properties on the market in relation to the total stock)





## Outlook: the market remains robust – consequences of the second home initiative

On 11 March 2012, the Swiss electorate voted in favour of the second home initiative. In municipalities where second homes account for more than 20% of the housing stock, no new units may be approved. However, the legislation allows some exceptions for an increase in the supply of second homes. Apartments managed for use by tourists are permitted and second homes can be built as part of the expansion and construction of hotels. Properties recognised as worthy of protection can also be converted. The new legislative framework has led to very few new homes being built, which has caused a supply shortage and corresponding pressure on prices – in particular, for owner-occupied apartments. Low interest rates, the general economic situation, prosperity levels, the need to diversify investments and assets, and, most recently, changing travel behaviour due to COVID-19 also remain important factors. After all, a holiday property is a luxury asset and is bought only if the economic environment allows it.



## Secure your edge in the property market now:

### 1. Subscribe to our newsletter

Keep up to date with all the latest property news for free on your smartphone, tablet or PC.

[www.ginesta.ch/en/magazine/newsletter](http://www.ginesta.ch/en/magazine/newsletter)



### 2. Create search profile

Find your dream property more quickly and easily by saving your individual search profile.

[www.ginesta.ch/en/mein-suchprofil](http://www.ginesta.ch/en/mein-suchprofil)



### Sales, lettings and management

We are a third-generation family business with our head office in Küsnacht and additional offices in Horgen, Chur, St. Moritz and Zurich. For more than 75 years, we have successfully sold, let and managed all types of property. Our team comprises more than 40 people with in-depth real estate expertise in valuation, marketing, rental and management. We are guided by entrepreneurial values and dedicated to providing a personal service to our customers.

### We look forward to hearing from you

**Ginesta Immobilien AG**

**Via Serlas 23**

**CH-7500 St. Moritz**

Phone +41 81 836 73 30

[www.ginesta.ch](http://www.ginesta.ch)

[graubuenden@ginesta.ch](mailto:graubuenden@ginesta.ch)

*Ginesta*  
Immobilien

### Follow us on social media



**Disclaimer:** The information contained in this report is merely general market commentary. This document may not be reproduced either in whole or in part without the written consent of Ginesta Immobilien AG. Copyright Ginesta Immobilien AG 2020. **Sources:** Ginesta; graphics: Wüest Partner (data as at Q3 2020); figures: Wüest Partner, Federal Statistical Office (population and apartment stock, data as at 2019), Office for Spatial Development (proportion of second homes, data as at 2019), Baublatt information service (building permits up to Q3 2020); other sources: Credit Suisse and our own estimates.